

Guide for Review of Rental Programs			
Participating Jurisdiction (PJ):			
Staff Consulted:			
Fiscal Year (FY) Reviewed:		Program Amount:	
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

Instructions: This Exhibit is designed to be used alone or in conjunction with Exhibit 7-7, "Guide for Review of Rental Projects." It is divided into nine sections: Program Recordkeeping; PJ Monitoring Responsibilities; Eligible Costs/Subsidy Layering/Cost Allocation; Initial and Ongoing Rents, Incomes and Occupancy; Property Standards; Other Project Requirements; Eligible Costs; Construction Management; and Loan Servicing. The Exhibit questions may also be used as an interview instrument for PJ staff. Regarding the selection of files to be sampled, the guidance in Section 7-4 in the introduction to this Chapter should be followed. If an area or question is not examined, make a note to this effect in the "Describe Basis for Conclusion" section.

Questions:

A. PROGRAM RECORDKEEPING

1.

Based upon a review of project case files and related files (e.g., income files, on-site inspections), is the documentation maintained sufficient to demonstrate compliance with applicable HOME requirements? [24 CFR 92.508(a)(2) and (3)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

2.

Are records regarding individual tenant income verifications, project rents, and project inspections retained for five years after the termination of the affordability period? [24 CFR 92.508(c)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

3.

a. Are any other records retained for five years after project completion? [24 CFR 92.508(c)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

b. Do written agreements contain all applicable HOME provisions? [24 CFR 92.504(c)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

B. PJ MONITORING RESPONSIBILITIES

4.

Does the PJ perform on-site inspections to determine compliance with property standards (24 CFR 92.251), and to verify rent, income and occupancy information submitted by the owner (24 CFR 92.252) every 1, 2 or 3 years depending on the total number of units in the project? [24 CFR 92.504(d)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

5.

Does the PJ review the financial condition of rental projects to ensure that they remain viable?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

6.

If a project becomes troubled - financially, physically or otherwise - does the PJ take action to correct underlying conditions promptly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

C. ELIGIBLE COSTS/SUBSIDY LAYERING/COST ALLOCATION

7.

Does the PJ have procedures to ensure compliance with the minimum per-unit investment requirements pursuant to 24 CFR 92.205(c) and maximum per-unit HOME subsidy limits pursuant to 24 CFR 92.250(a)?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

8.

Has the PJ adopted subsidy layering review procedures pursuant to 24 CFR 92.250(b)?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

9.

Are the subsidy layering guidelines used to review all projects that combine HOME with other public funds? [24 CFR 92.250(b)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

10.

a. Does the PJ provide HOME subsidy only in the eligible forms of investment (i.e., equity investments, interest bearing or non-interest bearing loans or advances, interest subsidies, deferred payment loans, grants or loan guarantees)? [24 CFR 92.205(b)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

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b. If the PJ is providing HOME funds in a form not listed above, was that form approved by HUD? [24 CFR 92.205(b)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

11.

Does the PJ's procedure for allocating costs and determining the number of HOME-assisted units conform to HOME regulations and guidance? [24 CFR 92.205(d)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

D. INITIAL AND ONGOING RENTS, INCOMES AND OCCUPANCY

12.

Are correct HOME rent and income limits being used/provided to owners? [24 CFR 92.2, "Low-income family" and 24 CFR 92.252(c) and (f)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

13.

Does the PJ approve rents for projects? [24 CFR 92.252(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

14.

Does the PJ ensure that the correct utility allowances are used in projects and are subtracted from tenant rents when utilities are paid by tenants? [24 CFR 92.252(c)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

15.

Is the PJ/project owner using the same definition of income for all tenants?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

16.

Are there procedures to ensure that owners determined initial income of tenants using source documentation pursuant to 24 CFR 92.203(a)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

17.

Are there procedures to ensure owners obtain tenant income recertifications annually pursuant to 24 CFR 92.252(h)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

18.

Does the PJ ensure that owners determine tenant incomes every 6 th year using source documentation? [24 CFR 92.252(h)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

19.

For projects with more than 5 HOME-assisted units, does the PJ ensure that at least 20% of units are occupied by households below 50% of area median income and bear rents no greater than low HOME rents? [24 CFR 92.252(b)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

20.

Does the PJ provide the project owner with information regarding unit substitution and filling vacancies so that the property remains in compliance with occupancy requirements?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

21.

Are unit substitutions and vacancies handled so that the project remains in compliance with occupancy requirements? [24 CFR 92.252(a), (i) and (j)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

E. PROPERTY STANDARDS

22.

Does the PJ have procedures that ensure that applicable property standards are met at project completion pursuant to 24 CFR 92.251(a)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

23.

Does the PJ have procedures that ensure that applicable property standards are met during period of affordability pursuant to 24 CFR 92.251(c)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

24.

a. Has the PJ adopted written rehabilitation standards? [24 CFR 92.251(a)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

b. If the answer to “a” above is “yes,” has the PJ applied the standards to rental rehabilitation projects? [24 CFR 92.251(a)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Describe Basis for Conclusion: 	

25.

Do new construction projects meet the Model Energy Code? [24 CFR 92.251(a)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Describe Basis for Conclusion: 	

26.

Do records indicate that the program incorporated the lead safety requirements of Part 35, as applicable? (This determination may be made based upon use of the Lead Hazards Monitoring Exhibits 24-1, 24-2, or 24-3 for projects sampled; or using staff interviews or other verification methods.) [24 CFR 92.355]	<input type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion: 	

27.

Does the PJ have procedures for ensuring that all projects meet the applicable Section 504 accessibility requirements pursuant to 24 CFR 92.251(a)(3)?	<input type="checkbox"/>	<input type="checkbox"/>
Describe Basis for Conclusion:		

F. OTHER PROJECT REQUIREMENTS

28.

If HOME funds are used for refinancing of existing debt, has the PJ established refinancing guidelines in its Consolidated Plan? [24 CFR 92.206(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Describe Basis for Conclusion:			

29.

If the PJ undertakes new construction, does it perform site and neighborhood standards reviews in accordance with 24 CFR 983.6(b)? [24 CFR 92.202(b)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Describe Basis for Conclusion:			

30.

If the PJ provides HOME tenant-based rental assistance to tenants in its rental projects, does it have a procedure to ensure the tenants were in place at the time the rehabilitation pursuant to 24 CFR 92.209(c)(3)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

31.

Does the PJ have a procedure to ensure that environmental review requirements are met pursuant to 24 CFR 92.352? (This determination may be based upon Exhibit 21-1 for projects sampled; or using staff interviews or other verification methods.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

32.

Does the PJ have a procedure to ensure that labor standards requirements are met for projects of 12 or more HOME-assisted units pursuant to 24 CFR 92.354?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

33.

Does the PJ have a procedure for ensuring that its contractors are not excluded, disqualified or otherwise ineligible (e.g., suspension, debarment, or limited denial of participation) for Federal procurement and nonprocurement programs at the time of contract execution or during the period of project work pursuant to 24 CFR 92.350(a); 24 CFR 92.505(a) and 24 CFR 85.35?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

34.

Has the PJ adopted affirmative marketing procedures for projects with five or more HOME-assisted units? [24 CFR 92.351]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

G. ELIGIBLE COSTS

35.

Do sources and uses statements or other records indicate that there are sufficient HOME-eligible costs associated with projects to support the amount of HOME funds provided? [24 CFR 92.205(d)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: 		

36.

Does the PJ have a system for reviewing cost estimates and evaluating whether they are cost reasonable? [24 CFR 92.505(a); 24 CFR 85.20(b)(5) and 85.36(f)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

37.

Were project costs reasonable (e.g., acquisition costs supported by appraisal, developer's fees, rehabilitation or construction costs within local norms, etc.)? [24 CFR 92.505(a) and 24 CFR 85.22]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

38.

If HOME funds are used for site improvements were they eligible improvements located on project sites? [24 CFR 92.206(a)(3)(iii)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

39.

Do written agreements contain all applicable HOME provisions? (This determination may be based upon review of the PJ's standard language for HOME agreements or review of agreements for projects sampled by completing Exhibit 7-16, "Guide for Review of Owner, Developer, Sponsor Written Agreements.") [24 CFR 92.504(c)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

H. CONSTRUCTION MANAGEMENT

40.

Does the PJ have procedures for ensuring that projects under construction are inspected periodically and at project completion to ensure work is finished and of adequate quality? [24 CFR 92.505(a) and 24 CFR 85.36(b)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

41.

Does the PJ have procedures to ensure that work identified in work-write-ups or plans will result in the project meeting all applicable property standards and codes?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

I. LOAN SERVICING

42.

Are lien instruments recorded? [24 CFR 92.505(a) and 24 CFR 85.20(b)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

43.

Does the PJ or servicing contractor have adequate written loan servicing procedures? [24 CFR 92.505(a) and 24 CFR 85.20(b)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

44.

Are there procedures for dealing with loans in default? [24 CFR 92.505(a) and 24 CFR 85.20(b)(3)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		